

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS GUATEMALA 002685

SIPDIS

SENSITIVE

STATE FOR EB/ESC/TFS, S/CT, INL/C, IO/PHO; TREASURY FOR
MAUREEN WAFER, NAN DONNELS, KATIE KLINGENSMITH, OFAC AND
FINCEN; JUSTICE FOR SARAH MCCREADY

E.O. 12958: N/A

TAGS: [KTFN](#) [KVPR](#) [EFIN](#) [PTER](#) [ETTC](#) [PREL](#) [SNAR](#) [GT](#)
SUBJECT: TERRORISM FINANCE IMPLEMENTING REGULATIONS COVER
REMITTANCES

REF: GUATEMALA 2093

¶11. (SBU) Guatemala's Financial Intelligence Unit (IVE) proposed implementing regulations for the recently passed terrorism finance legislation. The regulations will need to be approved by the monetary board before implementation. In advance of this submission, the IVE consulted EconOff and provided a draft copy. The IVE sought USG input on new requirements affecting wire transfers and remittances, as the US is the source of almost all of Guatemala's nearly \$3 billion in annual remittances. Preliminary copies of the regulations are available from Tom Palaia at PalaiaT@State.gov or 502-2326-4632. The legislation itself is available in English from the Superintendency of Banks at their web-site: www.sib.gob.gt.

¶12. (SBU) In consultation with US Treasury, Post advised the IVE on applicable US standards and new Financial Action Task Force (FATF) recommendations, which were incorporated in the draft regulations. The regulations require that companies facilitating money transfers in Guatemala, equal to or in excess of \$1000, must request that the transfer include the name, address, and date and place of birth of the transaction's originator. If this information is not provided, they are required to "pay special attention" to the transaction, a preliminary step, short of finding a transaction "suspicious", which triggers reporting requirements. The remittance facilitator must also ask the end recipient for similar information. Collection of recipient information goes beyond FATF recommendations but the IVE included this requirement to improve their investigative capabilities. The regulations do not specify any requirements as to what type of ID or standard must be applied by the remitter or transfer source, as this part of the transaction normally occurs outside of Guatemala. The \$1000 amount is low enough to comply with new FATF guidelines, yet high enough that it should not affect normal remittance flows, thus avoiding the unintended consequence of driving remitters away from the formal sector, further complicating potential regulation and investigation.

WHARTON